

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6218-03  
Bill No.: Truly Agreed To and Finally Passed CCS for HCS for SB 994  
Subject: Agriculture; Alcohol; Boards, Commissions, Committees; Councils; Business and Commerce  
Type: Original  
Date: June 1, 2016

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Bill Summary: This proposal changes the laws regarding alcohol.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	\$45,000	\$54,000	\$54,000
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$45,000</b>	<b>\$54,000</b>	<b>\$54,000</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<b>Local Government</b>	<b>\$112,500</b>	<b>\$135,000</b>	<b>\$135,000</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §262.823

Officials at the **Department of Agriculture**, the **Department of Public Safety - Highway Patrol**, the **Office of Public Safety - Administrative Hearing Commission**, and the **Department of Revenue** each assume this part of the proposal will not have a fiscal impact on their respective organizations.

#### §§311.060 - 311.950

Officials from the **Department of Public Safety - Alcohol and Tobacco Control (ATC)** state the bill makes the following changes:

- Section 311.091.1 provides for a boat liquor license as long as the boat is licensed by the US Coast Guard to carry thirty or more passengers.
- Section 311.091.2 related to a boat license for boats that could carry forty-five to ninety-nine passengers. This is being deleted because the changes in Subsection 1 will include these boats.

Based on a projected number of licenses issued of 180 times the \$300 boat license fee, ATC estimates an annual increase in license fees of \$54,000 (180 x \$300). In FY 2017, the licenses aren't issued until August 28, 2016; therefore the license would be prorated for ten months generating \$45,000 (\$54,000 / 12 months x 10 months).

Cities may charge 150% of state liquor license fees (Section 311.220). Based on a projected number of licenses issued of 180 times the \$450 boat license fee, we estimate license fees of \$81,000. In FY 2017, the licenses aren't issued until August 28, 2016; therefore the license would be prorated for ten months generating \$67,500. This number may be inflated for the cities because if the boats are moored in unincorporated areas they would not need a city liquor license.

Counties may charge the same liquor license fees as the State (Section 311.220). Based on a projected number of licenses issued of 180 times the \$300 boat license fee, we estimate license fees of \$54,000. In FY 2017, the licenses aren't issued until August 28, 2016; therefore the license would be prorated for ten months generating \$45,000.

Officials from **Kansas City** assume this proposal would not have a fiscal impact on their organization.

**This proposal may increase Total State Revenues.**

<u>FISCAL IMPACT - State Government</u>	<u>FY 2017</u> <u>(10 Mo.)</u>	<u>FY 2018</u>	<u>FY 2019</u>
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**GENERAL REVENUE**

Income - §311.091- Alcohol and Tobacco Control

Liquor license for boats carrying 30 passengers or more	<u>\$45,000</u>	<u>\$54,000</u>	<u>\$54,000</u>
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**ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND**

<u><b>\$45,000</b></u>	<u><b>\$54,000</b></u>	<u><b>\$54,000</b></u>
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FISCAL IMPACT - Local Government

FY 2017  
(10 Mo.)

FY 2018

FY 2019

**LOCAL POLITICAL SUBDIVISIONS**

Income - §311.091- Cities

Liquor license for boats carrying 30 passengers or more	\$67,500	\$81,000	\$81,000
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Income - §311.091- Counties

Liquor license for boats carrying 30 passengers or more	<u>\$45,000</u>	<u>\$54,000</u>	<u>\$54,000</u>
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**ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS**

<u><b>\$112,500</b></u>	<u><b>\$135,000</b></u>	<u><b>\$135,000</b></u>
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FISCAL IMPACT - Small Business

Small businesses which purchase intoxicating liquor, other than malt beverages, for resale in this state would be affected by the provisions of this proposal.

## FISCAL DESCRIPTION

THE MISSOURI WINE AND GRAPE BOARD (Section 262.823) - Currently, the Missouri Wine and Grape Board may participate in studies in the areas of sales, promotions, and the effective distribution of Missouri wines in order to effectuate the goals of the Board. Under this act, the Board would also be able to oversee and provide any professional or legal services to promote such marketing goals.

LIQUOR LICENSES AND PERMITS (Section 311.060) - Currently, if any person's dealer license or permit is revoked, they shall not be granted any new liquor license or permit, or be allowed to work for any establishment possessing a liquor license or permit. Under this act, any person whose license or permit has been revoked shall be eligible to work as an employee of an establishment holding a license 5 years after the person's license revocation, and such person shall be able to reapply for a new license or permit after 5 years. Any license or permit reapplication after 5 years shall be issued at the discretion of the Division of Alcohol and Tobacco Control.

LIQUOR SALES AT RETAIL ON A BOAT (Section 311.091) - Currently, a person may receive a license to sell liquor by the drink on any boat licensed by the United States Coast Guard to carry 100 or more passengers. This act instead allows such license to be issued for boats licensed to carry 30 or more passengers.

This act also repeals a provision that allows a person to get a license to serve liquor by the drink at retail for consumption on a boat that can carry 45 to 99 passengers and is on Table Rock Lake.

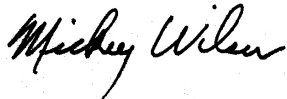
CONTROLLED LIQUOR SELF-DISPENSING SYSTEMS (Section 311.205) - Currently, licensed liquor retailers may use table tap dispensing systems that allow patrons to self-dispense up to 32 ounces of beer per patron at their tables. This act expands this statute to allow licensed liquor retailers to use self-dispensing systems that allow patrons to self-dispense up to 32 ounces of beer or 16 ounces of wine. The act removes references to table taps and instead refers to self-dispensing systems.

SELLING ALCOHOL THROUGH MOBILE APPLICATIONS (Section 311.950) - Under this act, entertainment facilities such as arenas and stadiums shall not be prohibited from selling alcoholic beverages through the use of mobile applications if such facilities possess requisite licenses and permits. "Mobile application" is defined as set forth in this act. Any employee of a facility selling alcoholic beverages purchased through a mobile application shall require the purchasing individual to show a government-issued photo identification to verify the person's age.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety - Alcohol and Tobacco Control  
Department of Public Safety - Highway Patrol  
Department of Agriculture  
Department of Revenue  
Office of Administration - Administrative Hearing Commission  
Kansas City



Mickey Wilson, CPA  
Director  
June 1, 2016

Ross Strobe  
Assistant Director  
June 1, 2016